


file Hrm
(LEG)

OLL #85-0640
27 February 1985

MEMORANDUM FOR: Chief, Technology Transfer Assessment
Center/DDI

Associate General Counsel for Intelligence
Community Affairs/OGC

FROM:


Deputy Chief, Legislation Division/OLL

SUBJECT: Export Administration, Status Check (H.R. 28)

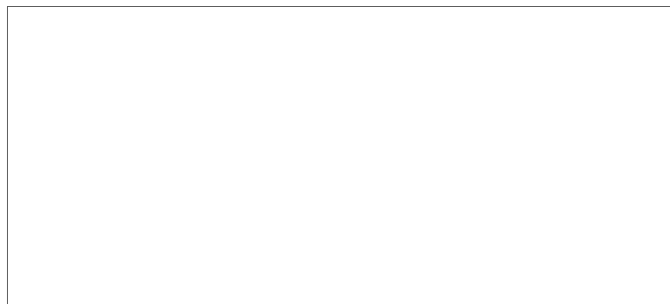
1. Showing dispatch and unanimity, the Subcommittee on International Economic Policy and Trade of the House Foreign Affairs Committee voted its approval of H.R. 28 and sent it to the full Committee. A mark-up is scheduled for March 21st, after which the bill will proceed to the floor of the House.

2. Yesterday, the Subcommittee considered three amendments deleting controversial portions of the proposed legislation: (1) Title III dealing with South African trade restrictions; (2) a provision concerning Department of Defense review of technology export licenses; and (3) a nuclear non-proliferation provision. No new material was added to the bill. According to statements by members of the Subcommittee, the non-proliferation issue and the South African restrictions will be the subject of separate legislation.

3. Defense is unhappy about the removal of its license review authority, but expects to receive more sympathetic treatment in the Senate.

4. Attached herewith is an editorial from The Washington Post that appeared the morning of the mark-up. Also attached is a recap of the mark-up, appearing in the Post business section the following day.

Attachments:
As stated



Distribution:

Orig. - Addressees

1 - D/OLL

1 - DD/OLL

1 - OLL Chrono

1 - LEG Subject

1 - JBM Signer

OLL:LEG:JBM:dpt (27 Feb 85)

A20 THURSDAY, FEBRUARY 8, 1985

THE WASHINGTON

The Washington Post

AN INDEPENDENT NEWSPAPER

Counterattack by Commerce

FED UP WITH years of needling from the Pentagon, Secretary of Commerce Malcolm Baldrige has now struck back—and rather effectively. As an example of turf warfare in Washington, the affair is turning into a classic. It revolves around the leakage of technology to the Soviet Union—and the question of who is more vigilantly anti-Soviet than whom.

The first territorial aggression was committed, as you would expect, by the Defense Department when it charged the Commerce Department with carelessness in issuing export licenses for technical equipment that the Soviets could put to military use. The suggestion was that Commerce tends to get carried away with its enthusiasm for export promotion. The obvious solution, Defense thought, was to give it some of Commerce's authority over export licensing.

Then the Pentagon's allies and admirers began to be heard from—notably the commissioner of customs, William von Raab. After each new round from Defense, Mr. von Raab warmly joined the refrain like the second tenor in an operatic sextet, on the general theme of the awful things that he was powerless to stop under present law, etc.

The Commerce Department is run by people who think of themselves as reliably to the right in their politics, and their first reaction was pure astonishment. Because of this internal quarrel, Congress deadlocked on the renewal of the Export Administration Act,

which, to the embarrassment of the White House, expired last year. In January, the Defense Department won an important victory when President Reagan finally stepped in and gave it the authority to review, with Commerce, the export applications.

Mr. Baldrige counterattacked last week, accusing Defense of allowing military and technical secrets to fall to the Soviets through routine declassification of documents. While the Pentagon has an adequate staff to duplicate Commerce's work on the export licenses, he said, it doesn't seem to have anyone overseeing the papers that are automatically being opened to the public.

This week, Commerce turned its attention to Mr. von Raab, charging that the U.S. Customs allowed a series of shipments of helicopters to continue for more than a year while knowing—without doing anything about it—that they were being illegally diverted to North Korea. The shipments ended, according to Commerce, only when it heard about them and intervened.

No doubt there's a serious issue here. American technology is crucially useful to the Soviets and their friends, and they work assiduously to obtain it. For the administration, it's a matter of balancing security requirements against the necessities of an open society with an immense flow of international trade. But all that is almost too familiar to be worth discussing. The territorial struggles within the administration are infinitely more entertaining.

The 'Transition House'

STAY AROUND the District long enough and you will notice some familiar refrains. One of those is called Accumulated Deficit. This is what city officials try to pay off every year around budget time. For a city that ultimately wants to govern itself without congressional oversight, strict belt-tightening along with payments on the deficit could be a way to demonstrate sensible fiscal policy.

Unfortunately, there always seem to be wasteful practices—procurement and printing costs, for ex-

owners throw in flourishes such as hand-finished oak on columns in the offices. Residential space comes even cheaper.

With the abundance of vacant buildings in the city, one also wonders whether other, cheaper deals could not have been made. The size of the effort, for 70 young adults who will get 90 to 120 days in the building in which to try to get settled into a career, poses another question: Why not try the program on a smaller scale first to see if it

Th
"my"
years
torial
many
ine m
al, "
[Feb.
for th
includ
with
the E

Sanitized Copy Approved for Release 2010/03/24 : CIA-RDP87M01152R000500620015-8